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SUBJECT: ADMIRAL WILLIAM J. FALLON'S MEETING WITH SULTAN QABOOS

Classified By: Ambassador Gary A. Grappo for Reasons 1.4 (b, d)

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SUMMARY  
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11. (C) Sultan Qaboos discussed both domestic and regional issues during his February 19 meeting with Admiral William J. Fallon, CENTCOM Commander. On the domestic front, the Sultan described his desire to empower the government to be more responsive to citizen concerns. Seeking to strengthen the role of Omani women, the Sultan plans to convene a conference in 2009 designed to increase the participation and leadership of women in all aspects of Omani society. Sultan Qaboos also shared plans for continued infrastructure development in Oman and described efforts underway to obtain more natural gas. On Iraq, the Sultan advised against a premature withdrawal of U.S. forces and stated that more regional assistance would be forthcoming if Iraqis would "come together" to take charge of, and invest in, their own country. Sultan Qaboos shared U.S. concerns about Iranian meddling in Iraq and elsewhere, but contended that Tehran knew confrontation with the U.S. was not in its interest. Iran's "charm offensive" in the GCC had succeeded in lessening suspicions of some officials about the true intentions of Iranian policies. End Summary.

12. (C) CENTCOM Commander Admiral Fallon, accompanied by the Ambassador, met February 19 with Sultan Qaboos bin Sa'id for approximately 2 hours at one of the Sultan's castles -- Husn al Shumugh -- in the interior of Oman. (Note: The Sultan was outside of Muscat on his annual 4-6 week "meet the people tour" during which he visits selected sites outside the capital. End Note.) The Sultan appeared in good health and was cheerful, although he commented that his role as ruler of Oman was demanding and did not allow him time to do all the things he wanted to do, such as reading more books. "My office is wherever I am," he stated, noting that he constantly had to attend to paperwork and urgent requests from his staff, among other tasks. The Sultan added that despite his busy schedule, he always made time to "watch the news," though he did not elaborate on his preferred media outlet.

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CONCERNS ABOUT IRAQ  
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13. (C) The Sultan expressed concern over a premature withdrawal of U.S. forces from Iraq. Recognizing recent improvements in the security situation, he counseled that American troops should only leave "when the time is right." He stressed that Iraqis had to "take charge" of the fate of their country, but questioned whether the different factions would be able to "come together" to accomplish this. He

pointedly asked the Admiral, "Do you really think Prime Minister Maliki and his government are capable of pulling the country together?" The Sultan did not directly respond to Admiral Fallon's comment on the need for assistance and investment for Iraq from elsewhere in the region. Instead, he stated that if the Iraqi people helped themselves and invested in their own country, others would follow suit.

14. (C) The Sultan appeared to follow events in Iraq closely. He commented, for example, that the Kurds had apparently "come out well" in recent central government talks on budget issues, and asked about the status of electricity production in Iraq. The Sultan seemed to take a particular interest in Admiral Fallon's discussion of Iraqi Shia leader Abdul Aziz al-Hakim, including the status of Hakim's health and his possible successors.

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INFRASTRUCTURE DEVELOPMENT  
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15. (C) In addition to emphasizing the need for outside investment in Iraq, Admiral Fallon highlighted the importance of assistance from regional states for infrastructure development in Afghanistan and other Central Asian nations. Again the Sultan sidestepped the issue and shifted the conversation to the critical role of roads and highways in economic development. He then mentioned infrastructure projects for Oman currently under consideration, including construction of a new dam and a freight rail line from the northern port of Sohar to the planned port in Duqm. The Sultan hoped that the southern port of Salalah could be linked by rail to Muscat and, eventually, to other GCC states.

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IRANIAN ISSUES  
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16. (C) The Sultan commented that the Iranians are "not fools," and claimed that Tehran realized there are "certain lines it cannot cross" (i.e., direct confrontation with the U.S.). Regarding GCC relations with the Iranian government, he stated, "Iran is a big country with muscles and we must deal with it." He continued that Iran's "charm offensive" in the region had achieved a degree of success as some GCC authorities (he did not mention names) were now less suspicious of Iranian intentions. The Sultan added, laughing, that "I must say that as long as (the U.S.) is on the horizon, we have nothing to fear."

17. (C) Responding to Admiral Fallon's frustration with Iranian interference in Iraq, the Sultan remarked that Iranian meddling abroad was "almost a game" to the regime in Tehran, and said that Iran's leaders would have to stop this practice if Iran wanted to "join the world as a noble country." The Sultan hoped that Iraqi leaders would clearly tell and convince Iranian President Ahmadinejad during his upcoming visit to Iraq to cease Iran's unhelpful interference in their internal affairs. On the possibility that Iran is waiting out the President's final term before re-assessing its strategy, the Sultan said that Tehran should realize that it has to deal with the U.S. as a country, and not just the current administration.

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THE SEARCH FOR GAS  
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18. (C) After noting Iranian dependence on imports of refined fuel, the Sultan described Oman's efforts to obtain more natural gas to fuel growing domestic power needs and large-scale industrial projects. Oman had committed too much of its limited gas production to long-term liquefied natural

gas (LNG) export contracts. As a result, the government was trying to boost production by taking smaller and less productive gas fields away from Petroleum Development Oman (PDO) -- 60% owned by the government and 34% owned by Royal Dutch Shell -- and awarding them to outside companies such as British Gas and BP. The Sultan claimed these firms were in a better position to increase productivity in these fields, and pointed to the progress of U.S.-based Occidental Petroleum Company in raising oil production in former PDO concession areas, such as Mukhaizna.

¶9. (C) Looking offshore, the Sultan said he hoped that new gas fields would be found in the Gulf of Oman to help ease the country's natural gas shortage. India's Reliance Industries was currently exploring a deepwater oil and gas block in this body of water, but had made no significant discoveries yet. Qatar would begin supplying gas to Oman by 2013, the Sultan noted, but not in quantities sufficient to meet outstanding needs. He added that Oman was still supplying limited gas from Musandam to Ras al-Khaimah in the UAE due to an agreement he made with its emir -- and which the Sultan felt he could not break -- well before Oman was squeezed for this resource.

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THE IMPORTANCE OF EDUCATION  
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¶10. (C) Sultan Qaboos shared that he placed a great deal of importance on education, and noted that a study of history provided the context needed to better understand present trends and events. Regarding claims that some rulers in the region wanted to keep their people uneducated in order to more easily control them, the Sultan explained that this strategy could easily backfire as it also left the populace more susceptible to influence by extremists, such as the Muslim Brotherhood. Former Egyptian president and pan-Arabist leader Gamal Abdal Nasser, the Sultan said, had "set the region back" by being "anti-everything" and engaging in vitriolic rhetoric designed to keep the masses ignorant.

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EMPOWERING THE GOVERNMENT AND WOMEN  
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¶11. (C) On domestic politics, the Sultan announced that he would hold the first-ever combined meeting of his Cabinet of Ministers and the Majlis al-Shura (the directly elected lower

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house of Oman's bicameral advisory body) on February 26. By meeting together, the Sultan hoped that the Cabinet and the Majlis would learn how to cooperate better and jointly focus on important issues. He commented that both bodies also needed to "demonstrate more leadership" and avoid past foot-dragging on promises made to the populace. "People need to see the results of decisions," the Sultan stated.

¶12. (C) Letting Admiral Fallon and the Ambassador in on a "secret," the Sultan confided that he planned to call for a conference of all "notable women" in Oman in 2009 in a bid to encourage Omani women to expand their participation and leadership in different aspects of Omani society. Minister of Social Development, Dr. Sharifa bint Khalfan al-Yahyaiya (one of Oman's three female cabinet ministers) will chair the meeting on the Sultan's behalf. Lamenting that no women won seats in the October 2007 election for the Majlis al-Shura, Sultan Qaboos observed that Omani women were stuck in tradition and needed to be empowered to "take more charge" and to be "less shy." "Some customs (regarding women)," he added, "shouldn't be kept." Nevertheless, gradual change is occurring in Oman, the Sultan asserted. His philosophy was to "let it happen," rather than hold it up to public debate, as the latter course of action often led to factional fighting, internal strife, and other ills.

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A RECURRENT THEME: MORE RESPONSIVE GOVERNMENT  
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¶13. (C) In concluding the meeting, Sultan Qaboos returned to his goal of improving the responsiveness of the Omani government to citizen concerns. He stated that he would be pressing "harder" on his ministers to engage in more and better public relations efforts before the Omani police and to effectively enforce their decisions so that the people could see the benefits of announced actions. Giving one particular example, the Sultan said that rather than simply announce a new development project, the government should explain the downstream employment opportunities the project would generate for Omani citizens. Effective cooperation between ministries and the Majlis Oman was also needed to strengthen the civil institutional framework in Oman, the Sultan added.

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COMMENT  
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¶14. (S/NF) In discussing his desire for operational change in the senior government ranks, the Sultan twice implied (but did not directly state) that such change was needed to prepare the country for his eventual departure from power. The Sultan's comments indicated that he may feel the government is too dependent on his authority and should be empowered to run more effectively without constant direction from the palace. End Comment.

¶15. (U) This message has been reviewed by Admiral Fallon.  
GRAPPO